

TIME-SHARE PLAN DISCLOSURES (PART I)RE 622I (New 6/05)

➤ For use with all time-share plans.

- Following are the standard time-share plan disclosures for California public reports. The general disclosures listed under Section 1 must be included in all time-share public reports.
 - The remaining disclosures should be reviewed and included in the public report if applicable to the subject time-share plan.
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1. General disclosures for all public reports.

This time-share plan is registered with the California Department of Real Estate as required by law. Registration does not constitute an endorsement of the time-share plan and the California Department of Real Estate has not passed on the merits of the time-share property being offered for sale.

As a general rule, a sponsor's promotional and marketing costs in a time-share offering constitute a major portion of the purchase price. Should you purchase a time-share interest, you may find it difficult to resell your time-share interest without the use of an extensive promotional and advertising campaign or use of a sales organization.

You are urged to visit and inspect the time-share property before entering into an agreement to purchase. You should determine for yourself that the property meets your personal requirements and expectations. Misunderstandings more easily arise as to the desirability of the property when this is not done. You should also carefully review the purchase contract to ensure that any promises of importance to you are included in the contract.

Failure to pay the assessments levied by the time-share association will prevent you from occupying and using the time-share accommodation and result in a lien on your interest. In the event of any other breach by a time-share owner of any of the project's governing documents, the time-share association may, after notifying the time-share owner, suspend such owner's right to occupy his accommodation.

The developer must, prior to close of escrow, provide you with a notice describing any and all material changes to the offering since the date of issuance of this public report. (Refer Section 11226(f)(2) of the Business & Professions Code.)

The ability of time-share owners to control operations and management of the time-share plan may be severely limited as long as the developer controls the association or management or the reservation system. You should thoroughly review the governing documents for the time-share plan so that you will have a better understanding of your rights as a member of the time-share plan association.

You have a duty to pay assessments even if you are unsuccessful in reserving an accommodation.

2. Conditional public reports only.

This is not a final time-share plan public report. This is a conditional time-share plan public report. As the developer has not as yet satisfied all of the conditions necessary for the issuance of a final time-share plan public report, escrow may not close, funds may not be released from escrow to the developer, and title shall not be conveyed until issuance of a final time-share plan public report covering this time-share plan. Under this conditional public report, the developer may not enter into a binding agreement with you for the purchase or lease of time-share interests in this time-share plan unless:

- A. The developer first provides you with a copy of this conditional time-share plan public report and a written statement containing certain disclosures required by B&P Code Section 11227);
- B. Provision is made in the purchase agreement and escrow instructions for the return to you of the entire sum of money paid or advanced (purchase money) by you if a final time-share plan public report has not been issued within six months after the date this conditional public report was issued;
- C. Provision is made in the purchase agreement/contract and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final time-share plan public report because of a material and adverse change in the setup of the offering. (Refer to B&P Code Section 11227.)

- D. As a condition of the purchase, delivery of legal title or other interest contracted for will not take place until issuance of a final time-share plan public report. Before entering into a contract under the authority of this conditional public report, you should review the agreement carefully to make sure that you will be able to honor your obligations when it is time to close escrow.

Before signing, you should read and thoroughly understand all sales agreement and loan documents. If you do not understand the terms of your contracts, you may wish to consider consulting with your own attorney before entering into an agreement to purchase the time-share interest.

The term of this conditional public report is six months. When the conditional public report expires, you may wish to consider contacting the developer to discuss the status of your purchase agreement/contract, since a conditional public report may be renewed for one additional six month term. If not renewed, your contract may be rescinded and all monies advanced by the purchaser shall be refunded. This is a "conditional public report" which allows the developer to enter into a binding contract with you, subject to your receipt, examination, and acceptance of a final public report within the time period indicated in your purchase agreement/contract.

The following conditions must be satisfied by the developer before a final time-share plan public report can be issued: *(Complete list of conditions.)*

3. Include the following disclosure if a conditional public report has been issued for this time-share plan.

If you entered into an agreement to purchase or lease an interest in the time-share plan under authority of a conditional public report, the purchase agreement and the escrow instructions contained arrangements for the return to you of monies paid or advanced if you are dissatisfied with this final time-share plan public report because of a material and adverse change in the setup of the offering. You are advised to carefully read this final time-share plan public report since it contains information that is more current and possibly different from that included in the conditional public report.

4. Include the following disclosure if a preliminary public report has been issued for this time-share plan.

If you have received a preliminary public report for this time-share plan, you are advised to carefully read this final public report since it contains information that is more current and probably different from that included in the preliminary public report.

5. Include the following disclosures, as applicable, for time-share plans located in California. (Refer to RE 619.)

The developer has advised that all or portions of the time-share plan subject to this public report are located within a *Special Flood Hazard Area* as designated by the Federal Emergency Management Agency. Additionally, the developer has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.3.

If any disclosure, or any material amendment to any disclosure, required to be made by the developer regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the developer or the developer's agent.

The developer has advised that all or portions of the time-share plan subject to this public report are located within an *Area of Potential Flooding* as shown on an inundation map. Additionally, the developer has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.4.

If any disclosure, or any material amendment to any disclosure, required to be made by the developer regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the developer or the developer's agent.

The developer has advised that all or portions of the time-share plan subject to this public report are located within a *Very High Fire Hazard Severity Zone*. Additionally, the developer has advised that prospective purchasers within this

Zone will be provided a separate disclosure required under Government Code Section 51183.5. If any disclosure, or any material amendment to any disclosure, required to be made by the developer regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the developer or the developer's agent.

The developer has advised that all or portions of the time-share plan subject to this public report are located within a *State Responsibility Area* (wildland area that may contain substantial forest fire risks and hazards) as determined by the California State Board of Forestry. Additionally, the developer has advised that prospective purchasers within this Area will be provided a separate disclosure required under Public Resources Code Section 4136.

If any disclosure, or any material amendment to any disclosure, required to be made by the developer regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the developer or the developer's agent.

The developer has advised that all or portions of the time-share plan subject to this public report are located within an *Earthquake Fault Zone*. Additionally, the developer has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Public Resources Code Section 2621.9. If any disclosure, or any material amendment to any disclosure, required to be made by the developer regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the developer or the developer's agent.

The developer has advised that all or portions of the time-share plan subject to this public report are located within a *Seismic Hazard Zone*. Additionally, the developer has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Public Resources Code Section 2694. If any disclosure, or any material amendment to any disclosure, required to be made by the developer regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the developer or the developer's agent.

Include if this time-share plan is included in one or more natural hazard areas.

Since all or portions of the time-share plan subject to this public report are located within one or more natural hazard areas, your homeowner's insurance and/or insurance coverage for any association or commonly owned areas may be affected. You should contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property, as well as the owner's association or developer regarding any assessment increases due to additional insurance costs.

Include if any response in RE 619 is "Do Not Know" or "Map Not Yet Released."

At the time this public report was issued, information regarding whether all or portions of this time-share plan are located within certain natural hazard areas was not yet available to the developer. You should ask the developer for updated information before obligating yourself to purchase.

Use the following if developer indicates that naturally occurring asbestos may be found in or near the time-share plan.

The developer has advised that natural occurrences of asbestos-containing rock may be found in or near this time-share plan. Naturally occurring asbestos may pose a health hazard to those exposed to ambient asbestos fibers. Such fibers may be found in serpentine rock used as a surface material for unpaved roads. The California Air Resources Board has advised that asbestos emissions can occur when asbestos-containing rocks are crushed or broken, such as occurs when vehicles pass over unpaved roads or parking lots, or during construction activities. General information on emissions and health impacts from naturally occurring asbestos can be obtained from the Air Resources Board Web site at www.arb.ca.gov/toxics/asbestos. To obtain specific information on your lot, you may wish to contact the developer or consult with an appropriate expert who can identify and test any exposed asbestos-containing rock that may either exist on the property or within its vicinity to determine whether it will present a health risk.

Use the following if developer does not provide evidence that geologic testing results concluded that NO naturally occurring asbestos containing materials may be found in or near the time-share plan and the time-share plan is included on El Dorado County map.

This time-share plan is in an area included on a map titled "Areas More Likely to Contain Natural Occurrences of Asbestos in Western El Dorado County, California," released by the California Department of Conservation, Division of Mines and Geology, dated March 2000. You may obtain more information regarding the map and accompanying report by contacting the Department of Conservation, Division of Mines and Geology, 801 K Street, Room 1400, Sacramento, California, 95814, (916) 445-5716, or their Web site at www.consrv.ca.gov. Naturally occurring asbestos may pose a health hazard to those exposed to ambient asbestos fibers. Such fibers may be found in serpentine rock used as a surface material for unpaved roads. The California Air Resources Board has advised that asbestos emissions can occur when asbestos-containing rocks are crushed or broken, such as occurs when vehicles pass over unpaved roads or parking lots, or during construction activities. General information on emissions and health impacts from naturally occurring asbestos can be obtained from the Air Resources Board Web site at www.arb.ca.gov/toxics/asbestos. For specific information, you should consult with an appropriate expert who can identify and test any exposed asbestos-containing rock that may either exist on the property or within its vicinity to determine whether it will present a health risk.

Use only if a nuclear power plant is within 10 miles from time-share plan.

The time-share plan is located within _____ miles of the _____ (nuclear power plant).

It is within the basic emergency planning zone, the area surrounding each of California's nuclear power plants, in which both State and Federal governments require planning to protect the public in the unlikely event of a serious accident at the plant. Plans for public information and for a full range of protective actions, including evacuation, have been developed by local emergency services offices.

Use only if residential structures built prior to 1978 and not housing designated for the elderly.

Pursuant to federal Real Estate Disclosure and Notification Rule (24 CFR Part 35 and 40 CFR Part 745), the seller is required to disclose to prospective buyers that this property may contain lead-based paint and/or lead-based paint hazards as well as provide certain written materials as mandated by current law. The seller is required to offer all prospective buyers an opportunity to conduct a risk assessment for lead-based paint and lead-based hazards prior to being obligated under a purchase contracts. This risk assessment may be waived by written agreement between buyer and seller. For more information, you should contact the local office of the Environmental Protection Agency.

Use if geologic conditions exist.

The Uniform Building Code, Appendix Chapter 33, provides for local building officials to exercise preventive measures during grading to eliminate or minimize damage from geologic hazards such as landslides, fault movements, earthquake shaking, rapid erosion or subsidence. This subdivision is located in an area where some of these hazards may exist. Some California counties and cities have adopted ordinances that may or may not be as effective in the control of grading and site preparation.

Purchasers may contact the developer, the developer's engineer, the engineering geologist and local building officials to determine if the above mentioned hazard have been considered and if there has been adequate compliance with Chapter 70 or an equivalent or more stringent grading ordinance during the construction of this subdivision.

Use if located in an "airport influence area."

An "airport influence area," also known as an "airport referral area," is the area in which current or future airport-related noise, overflight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission. If the property is located within an airport influence area, the following statement shall be included:

NOTICE OF AIRPORT IN VICINITY

This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences

associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

Use if located in the San Francisco Bay Conservation and Development Commission.

If property is located within the jurisdiction of the San Francisco Bay Conservation and Development Commission, a statement that the property is so located and the following notice:

**NOTICE OF SAN FRANCISCO BAY CONSERVATION AND
DEVELOPMENT COMMISSION JURISDICTION**

This property is located within the jurisdiction of the San Francisco Bay Conservation and Development Commission. Use and development of property within the commission's jurisdiction may be subject to special regulations, restrictions, and permit requirements. You may wish to investigate and determine whether they are acceptable to you and your intended use of the property before you complete your transaction.

6. *Include the following disclosures, as applicable, for time-share plans located outside California.*

Reference Section 11265(b) — Your annual assessments are not subject to the California limitation of a 20% annual increase without the vote of the owners other than the developer. Your assessment may be increased by as much as ____% per year.

Reference Section 11266(g) — The declaration or other document establishing this time-share plan may be amended by a vote of ____% of the members of the association. The bylaws of the association may be amended by a vote of ____% of the members.

Reference Section 11274(f) — This time-share plan may not be subject to the same protections against forfeiture and foreclosure as provided by California law. You should become familiar with the procedures provided by the laws of the state in which the time-share plan is located.

7. *Use these special notes for points-based time-share projects.*

No time-share interest owner shall be prevented from using a time-share plan as a result of changes in the manner in which point values may be used. (Refer to B&P Code Section 11233(c)(2).)

The following applies to a specific interest multi-site time-share plan.

In the event point values are changed or adjusted, you must not be prevented from using your home resort in the same manner as provided under your purchase agreement/contract. (Refer to B&P Code Section 11233(c)(3).)

8. *Use if incidental benefits offered.*

If you are offered the opportunity to acquire an incidental benefit in connection with the sale of a time-share interest, the developer shall provide you with a disclosure statement containing all of the following information:

- a) A general description of the incidental benefit, including the terms and conditions governing the use of the incidental benefit.
- b) A statement that the continued availability of the incidental benefit is not necessary for the use and enjoyment of the purchaser's use of any accommodation of the time-share plan.
- c) A statement that the purchaser's use of or participation in the incidental benefit is completely voluntary, and payment of any fee or other cost associated with the incidental benefit is required only upon that use or participation.
- d) A listing of the fees, if any, that the purchaser will be required to pay to use the incidental benefit.
- e) A statement that no costs of acquisition, operation, maintenance, or repair of the incidental benefit shall be passed on to purchasers of time-share interests in the time-share plan as a common expense of the time-share plan.

9. Use if exchange program is offered.

This time-share project may be affiliated with one or more exchange programs whereby time-share owners may voluntarily exchange the right to use and occupy accommodations and facilities in this project with accommodations in other projects. Exchange programs are not subject to Department of Real Estate laws and regulations. Therefore, the Department of Real Estate has not evaluated any exchange program(s) included in this offering. There is no guarantee that this project will remain affiliated with any particular exchange program. Since exchange programs are unregulated, the Department recommends prospective purchasers use discretion in evaluating exchange programs offered in conjunction with time-share offerings.